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Garments without guilt? Uneven labour geographies and ethical trading—Sri Lankan labour perspectives

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Abstract

Economic geographers tout social upgrading via economic upgrading as a path that engenders labour conditions, while labour geographers underscore the inherent contradictions of corporate governance initiatives. They point to the conceptual flaws of firm-level analysis, given the limited attentiveness to worker actions and labour voice. Others point to the inherent tensions in global governance initiatives as they traverse along global supply chains, and the absence of labour voice within corporate codes. This neglect underpins my article, which uses Sri Lanka as a litmus case to critically engage with labour voice around ethical codes and analyse its efficacy as a form of social upgrading.

Keywords: Labour geography, ethical trading, Sri Lanka, corporate governance, ethnography

JEL classifications: J8, J5, Z1

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1. Introduction

Restructuring the global economy sparked investigation into its uneven consequences for labour (Wills, 2001; Brooks, 2010; Mezzadri, 2014); and within it, the asymmetrical power dynamics embedded in remapping capitalism within the global apparel industry has been examined since the 1980s (Elson and Pearson, 1981; Hale and Wills, 2005; Miller, 2012; Carswell and De Neve, 2013). Academics have consistently pointed out the compromised position of developing countries within global trade networks (Hughes, 2001; Nadvi, 2008; Khan and Lund-Thomsen, 2011; Miller, 2011).

Sri Lankan apparels serve as an illustrative contrast of shifting to higher value-added apparel production by adopting ethical production as a basis for doing business. Partly this was a clever response to increasing unease of Northern retailers to labour exploitation in the supply chain (Gunawardana, 2010). Sri Lankan apparels had already steered in this direction as state regulation had required, implementing minimum standards from as early as the 1980s—a decade before multi-stakeholder and corporate voluntary initiatives came into effect (Ruwanpura and Wrigley, 2011). It was hence well placed to capitalize on transformations in the global supply chain.

When Northern retailers started to frame its sourcing strategies via ethical trading and practices of corporate citizenship, Sri Lanka was then able to be at the forefront. Yet, labour geographers and scholars continued to articulate concerns around the

absence of labour voice (Hale and Wills, 2005; Sluiter, 2009). More recently the need to re-centre capital–labour relations within debates on global production systems is brought to the fore (McIntyre, 2008; Palpaucer, 2008; Rainnie et al., 2011; Selwyn, 2012, 2013; Carswell, 2013; Carswell and De Neve, 2013; Goger, 2013; Mezzadri, 2012, 2014). While social upgrading via economic upgrading is touted as an avenue facilitating improved labour conditions (Barrientos et al., 2011; Gereffi et al., 2005), sceptics highlight the inherent contradictions of top-down social upgrading (Mayne, 1999; Blowfield and Dolan, 2008; Palpaucer, 2008; Selwyn, 2012, 2013; De Neve, 2013). Goger (2013) uses the Sri Lankan apparel sector to argue how the economic logic of upgrading does not guarantee egalitarian development or equitable social outcomes because the labour process and other historical contingencies determine value.¹

Scholars interested in re-centring the role of labour remark how current academic efforts are necessarily limited and conceptually flawed because of the neglect of labour in firm-level analysis (Rainnie et al., 2011), and workers' actions are made secondary to institutional arrangements between capital and the state (Selwyn, 2013). Selwyn (2013) in particular, notes the absence of examining historical and local political struggles, shaped by evolving class relations, in determining how 'greater competitiveness (economic upgrading) translates into gains to labour (social upgrading)' in these interventions (2013, 79). Along similar lines others have pointed to how governance discourses fail to recognize inherent tensions in global governance initiatives (McIntyre, 2008; Palpaucer 2008; Brooks, 2010; Ruwanpura and Wrigley, 2011; De Neve, 2013; Mezzadri, 2014), with misplaced assumptions around the nature of upgrading itself (Tokatli, 2012). This neglect underpins my effort to critically engage with labour voice around ethical codes² and its efficacy as a form of social upgrading. The Sri Lankan apparel industry is additionally worthwhile examining closely because it has also evaded the usual negativity associated with the industry and makes bold proclamations around producing 'garments without guilt' (JAAF, 2011).

With the dismantling of the Multi-Fibre Agreement (MFA), where sourcing was no longer based on quotas, Sri Lanka's apparel industry underwent a strategic shift. To embrace global changes, it shifted to higher value-added production and marketed itself as a location committed to ethically responsible trading (Gunawardana, 2010). A 5-year strategic plan was developed for the garment industry in 2002 by the Joint Apparel Association Forum (JAAF), under which the '*Garments without Guilt*' initiative was put in place. Promoting Sri Lanka as a production destination concerned with ethical production, increasing workers' quality of life and poverty alleviation is its psalm. Sri Lankan apparels hence claims to be evangelical about respecting a strong labour legislative framework (JAAF, 2011). Within this scenario, how do multi-stakeholder initiatives—whether it is Ethical Trading Initiative (ETI), Fair Labour

1 See Milberg and Winkler (2011) for a similar assessment from an institutional economics perspective and an overview of debates between neoclassical and institutional economics around economic and social upgrading; my engagement here, however, is mostly with labour scholars. [My thanks to Neil Coe for alerting me to this contribution.]

2 Ethical codes that govern global production systems cover eight to nine labour standards, depending on whether they are multi-stakeholder or individual corporate codes, and are based on the core conventions of the ILO. These are: (i) employment is freely chosen, (ii) freedom of association and collective bargaining is respected, (iii) safety and hygiene at the workplace, (iv) non-use of child labour, (v) living wages, (vi) non-excessive overtime, (vii) no discrimination, (viii) regular employment and (ix) no harsh or inhumane treatment.

Association (FLA), Worldwide Responsible Apparel Production (WRAP) and related others—or individual corporate initiatives fare in driving up labour standards?

I start by briefly overviewing the conceptual debates around labour geographies to appreciate the diverse and intersecting spatialities of labour contestation in response to global initiatives around standards. I then go onto discuss my fieldwork and research methods, before outlining Sri Lanka's labour history and national institutional environment to appreciate how the industry has been able to uptake the 'ethical' sourcing mantle. It responds to calls by critically minded economic geographers who emphasize the need to consider the institutional context to appreciate how labour practices evolve in response to global governance regimes (Smith et al., 2002; Nadvi, 2008; Palpaucer, 2008; Sunley, 2008; Rainnie et al., 2011; Carswell and De Neve, 2013; Goger, 2013). I then discuss the lived experiences of workers on how ethical codes of conduct shape labour practices. In its conclusion, this article emphasizes the contradiction between ethical trading initiatives, economic upgrading and labour practices, given the absence of integrating labour voice.

2. Labour geographies, past and present?

Sri Lanka has been in the vanguard of shifting to higher value-added apparel production by carving out a niche as an ethical sourcing destination. By adopting ethical trading initiatives early, it has largely avoided the media negativity experience of its regional competitors (Knutsen, 2004). If 'social upgrading' follows, these facets are undeniably conducive to labour engendering their work conditions. Despite escaping the 'sweatshop' spotlight, Sri Lanka's labour rights record is not without blemish (ITGLWF, 2011). By bringing labour into centre stage, my analysis aims to uncover complex interactions between economic upgrading, ethical trading and their intersection with local institutions and historical labour struggles—features neglected in the global governance and social upgrading literature (Gereffi et al., 2005; Barrientos et al., 2011). It takes a cue from critical labour studies to draw attention to multiple factors underpinning the country's movement towards an ethically grounded position and its contradictory impact on labour (Herod, 2001; Palpaucer, 2008; Selwyn, 2012, 2013; Goger, 2013).³ Local labour histories and struggles are important precursors for shaping capital–labour relations within the country, including in the apparel industry.

Labour scholars have already pointed to how recent top-down initiatives intersect with local organizing campaigns in contested ways, signalling the diverse outcomes associated with efforts to drive up labour standards. The centrality of labour in creating value must logically necessitate drawing into our conceptual analysis to appreciate 'the dynamics of labour process's modus operandi, with its contested and contradictory practices' (Rainnie et al., 2011, 161). Their call echoes previous observations made by Smith et al. (2002) around the 'need for a more systematic analysis of the relations between the state and labour in the production, circulation and realization of

3 Selwyn's (2012, 2013) critique of social upgrading literature is one that I have much sympathy with; yet, I part company with his analysis in two ways. The Decent Work agenda which Barrientos et al. (2011) takes inspiration from is Sen (2000, 1999)—and this particular conceptualization is embedded in ontological individualism rather than being Polanyian (Corbridge, 2002). Next, Selwyn neglects that the ILO as a tripartite body, even without the muscle power, is already engaged in fraught capital–labour–state negotiations (McIntyre, 2008).

commodities' (2002, 47–48). The production, circulation and realization of commodities in this current epoch is also governed by global governance initiatives that are mediated by local labour histories and struggles together with social relations of local production where geographical orientations of actors matter. In a bid to give purchase to the 'politics of production and the fluidity and fixity of both capital and labour' (Rainnie et al., 2011, 167), the need for us to be attentive to multi-scalar relations is evident. The unevenness emanating from top-down initiatives reverberates, whether in global union politics or, I contend, voluntary governance initiatives. Cumbers (2004, 2005), for instance, in numerous interventions, focuses on the scalar politics of trade union activity in a neo-liberal economic landscape and points to how their (in-)ability to effectively forge internationalist alliances or renew and mobilize workers is due to the disconnect between global, national and local priorities. Where workers are successful in mobilizing their interest, then the ways in which collective struggles are able to draw upon local histories and multiple worker identities facilitates are key (Pearson et al., 2010). Similarly, Mezzadri's (2014) intervention challenges the ability to elaborate meaningful standards within decentralized production regimes. With production regimes increasingly decentralized, it is apt to focus on these spaces of production and labour to draw out labour histories, past and present, to acknowledge labour's continued salience in ethical trading debates.

Then along with other critical labour studies scholars (Herod, 2001; Rainnie et al., 2011; Goger, 2013; Selwyn, 2013, 2012), my purpose is to point to how workers' lives and actions shape the economic landscape and how historical gains made by the labour movement has facilitated the legislative registers from which industrial capital continues to benefit—and indeed has created the socio-economic landscape that makes Sri Lanka 'ethical', as partial as it may be. This historical factoring facilitates looking at more recent transformations in capital–labour relations and how, therefore, global governance initiatives and economic upgrading has not improved the position of workers in key spheres of living wages, freedom of association and collective bargaining (Miller et al., 2009). My research underlies how the lack of labouring classes in ethical trade initiatives leads to incomplete 'social upgrading' and partial ethical code implementation. Yet, historical gains made by labour has offered a conducive context for implementing 'top-down' global governance initiatives with relative ease in specific areas and have facilitated Sri Lankan industrialists to position themselves as 'ethical'—although its patchy application has much to do with the labour geographies past and present.

Sri Lanka's labour struggles and history has led to an enviable socio-human development context (Jayawardena, 1972; Candland, 2002), which feed into the ability of the garment industry to make a difference to labour practices. Apparel industrialists, for instance, frequently pronounce how the highly educated Sri Lanka labour force facilitates quality, reliability and excellence (Goger, 2013; Parry et al., 2014), while noting the compulsion it places on them to be solicitous towards workers (Sluiter, 2009; Ruwanpura and Wrigley, 2011). This backdrop permits appreciating intricate connections between management and labour, and how global governance regimes do not operate in a vacuum. As labour geographers have already pointed out 'outcomes of class struggles constitute historical moments, which once stabilized, determine the form and content that national institutional arrangements take, which in turn subsequently influence the nation's developmental trajectory' (Selwyn, 2013, 87; Herod, 2001). The colonial and post-colonial capital–labour struggles were catalytic in shaping

Sri Lanka's development trajectory, legal framework and institutional structure—which continue to reverberate positively. Yet, Sri Lanka's integration into the global economy since 1977 also had adverse consequences for organized labour and collective labour rights more generally (Gunawardana and Biyanwila, 2008). Thus, I illustrate how the apparel industry's efforts at positing Sri Lanka as an ethically sourced site is a partial branding exercise at best—which has benefited from a historical socio-development landscape. Yet, capital gains and the labour reverses in the post-1977 open economic landscape have resulted in a flouting of its adherence to core conventions (and hence ethical codes) around freedom of association and collective bargaining, with concomitant implications for the lack of living wages for labour. This bias of Sri Lankan apparel sector's 'ethical' sourcing credentials suggests, as Selwyn (2013) notes, limitations to top-down global governance regimes as a means of 'social upgrading'.⁴ Similarly, questions can be raised whether ethical codes alone can make the difference for labour—particularly since Barrientos et al. (2011) note how 'quality of employment of labour is mediated . . . by the codes of conduct' (2011, 323).

3. Methodology

Exploring how ethical corporate codes bear upon evolving labour practices at apparel production sites from worker standpoint is the overarching purpose of my research. Elsewhere I have already shown how global governance literature neglects the governmentality implications of standards and lack of appreciation for local social hierarchies results in compromising health and safety codes (Ruwanpura, 2013, 2014a; see also De Neve, 2013; Goger, 2013). Here I capture the overarching story around ethical codes from labours' perspective given the Sri Lankan apparel industry's proclamations. My study combined ethnographic research at two factory settings for a 7.5-month period, in-depth interviews with managers, trade union and labour rights organizations and workers, and weekly journal recordings by workers.

My fieldwork began in December/January 2008–2009 when 25 factory managers at various levels of authority, that is, from mid-ranking to senior managers to directors and CEOs were interviewed for their assessment of ethical code regimes (Ruwanpura and Wrigley, 2011). Serendipitously two factory managers opened their factories as possible sites within which I could do my longer term fieldwork. One factory was motivated by the need to signal to multi-stakeholder initiatives their openness to independent reviews, the other because their previous experiences in having long-term researchers was seen as a way in which they could continuously learn through researcher engagement. Two years of fieldwork began with an RA, Wasana, basing herself at both factories from April 2009, facilitating my stay for 7.5 months from around July/August of 2009. I visited each factory, on alternate days, on a daily basis and was on the shop floor daily. Afterwards, until end of June 2011, I did return fieldtrips every 4 and 6

4 In this article, I refrain from engaging with the GVC/GPN literature in any detail because of limitations already noted previously (Palpaucer, 2008; Rainnie et al., 2011, 2013; Selwyn, 2012, 2013; Tokatli, 2012). Moreover, similar to Kelly's (2001) observation, during my fieldwork it became apparent that while firms may be networked—internationally, regionally, and locally—labour and union networking is strongly discouraged and thwarted (2001, 11). My time in Sri Lanka thus raised important questions on the deployment of the network metaphor and relational geography (Sunley, 2008; Rainnie et al., 2011).

months, with each phase lasting between 2 and 3 months—and in this manner got an evolving sense of factory-based politics over a 2-year period.

These factories are located outside of Colombo district in semi-rural areas of Sri Lanka and are not within any Free Trade Zone (FTZ). With workforces of 800 and 1500 workers, they are large production facilities for Sri Lanka. They produce for high-, middle- and low-end global retailers, based both in the UK and USA. M&S, Next, Levi's, Debenhams, Calvin Klein, Eddie Bauer, Matalan, Tesco, Lily Pulitzer, for instance, were all part of their long-term clientele base. In terms of factory standards, they considered themselves to be harbingers in adhering to global standards and ethical production practices—and took on board the highest standards across the multiple code governance regimes, whether it be multi-stakeholder initiatives or individual corporate codes. This was deemed most convenient from a supplier perspective; that is, committing themselves to the sourcing strategies of the buyer with the most demanding/rigorous codes would then cover their ethical responsibility towards other buyers.

I utilized multiple methods to gather data during the entirety of my field research. My embedding as a participant-observing researcher at both factories over an extended period, offered me the opportunity to gather meticulous detail about everyday workspaces and facilitated developing familiarity with workers. Consequently, we interviewed 90 workers focusing on each dimension of the ethical codes: 60 were based at these two factories and were randomly selected based on their interest and willingness to be interviewed or through snowballing, whereas the other 30 workers were selected from a host of other factories through a system of snowballing. Interviewing workers were conducted at their homes or boarding houses, and during the entirety of the 2-year period and beyond, we kept in touch with a selected sub-group (Ruwanpura, 2014b, in press). To maintain worker anonymity, I coded them as LH18, LQ31, etc.

A weekly journal was maintained by 20 workers over a 1-year period, which required both *Wasana* and I to cultivate close and continuing relations with workers. In these worker diaries, workers had noted down their perspectives on evolving labour practices. While we had initially requested 25 workers to maintain diaries, in the end only 20 workers did. A couple of workers were apprehensive that management may come across and read their diaries, and due to this fear they dropped out. Despite high-literacy rates (91.3%), a few other workers were unwilling to write because they found the exercise dull. A limitation in using diaries was that everyday incidents considered 'normal' by workers were left out and only transpired during our conversations. Despite these challenges, the diary was effective; this was particularly the case where workers had a history of diary keeping, creative writing and penning short stories. In these instances workers wrote copious accounts. Overall, it allowed access to primary data that could not have been obtained by other methods.

Additionally, I made day visits to other factories, within and outside of the FTZ, to get a sense of the industry. To triangulate my data, an RA and I carried out in-depth interviews with trade unions, labour rights organizations and policymakers. We also collected media accounts on the apparel sector and campaign material used by industrialists and labour rights organization for analysis during this 2-year fieldwork period. Since I have articulated elsewhere the ways in which we were attentive to the class and gender politics and how the fieldwork landscape had to be navigated delicately (Ruwanpura, 2013, 2014a, 2014b), it is not a point I belabour.

4. Labour struggles and uneven development in Sri Lanka

For development scholars, Sri Lanka was a paradigmatic case of low-growth, high-social development with impressive gender equity outcomes (Sen, 1988; Humphries, 1993). While Sri Lanka was championed as an alternative mode of development, the historical role played by the labour movement in shaping Sri Lanka's socio-economic development trajectory is less acknowledged (Jayawardena, 1972). Many important protective labour legislative reforms implemented during colonial and immediate post-colonial years were the upshot of capital–labour struggles (Jayawardena, 1972, 1974). Offering regular employment, ameliorating hazardous work conditions and union rights were all concessions capital made towards labour during this epoch (see also Candland, 2002). It was a time in which, as Herod (2001) critically remarks Sri Lankan workers created ‘spatial fixes appropriate to their own conditions and needs’ (2001, 35). These gains not merely shaped the economic landscape of yesteryear, but have also reverberated to contemporary times benefitting not simply labour but also capital.

Yet, sustaining or advancing on these gains with the advent of an open economy in 1977 has not occurred. Gunawardana and Biyanwila (2008) trace Sri Lanka's integration into the global economy and the steady withering away of freedom of association and collective bargaining. Despite this adversity, workers—and in particular women workers—engaged in sustained labour struggles in the post-1977 period pointing to challenging circumstances under which they laboured in the newly set up apparel factories (Women's Centre, 2006). In response, the state—via the Board of Investment (BOI)—by the late 1980s introduced measures aimed at protecting workers, which included directives around safety and hygiene, offering factory-provided transportation, etc. (Gunawardana, 2010). Women workers involved in these early struggles articulate these noteworthy shifts by noting, ‘if today's worker comrades enjoy some privileges, our blood, sweat and tears are mixed in it’ (Women's Centre, 2006, 19). As Herod (2001) observes, even where worker aims are thwarted ‘the very fact of their social existence and struggle means they shape the process of producing space in ways not fully controlled by capital’ echoes in Sri Lanka (2001, 36). Sri Lanka's labour conditions then were already at a high standard before the implementation of corporate and multi-stakeholder initiatives in the mid- to late 1990s (Candland, 2002; Knutsen, 2004; Sluiter, 2009). Regulatory infrastructure imparted during British colonial rule and high socio-development achievements are also the product of union struggles at various epochs (Jayawardena, 1972; Knutsen, 2004; Gunawardana and Biyanwila, 2008). These facets signal that relations between capital, state and labour from colonial to current times are likely to have some bearing on the apparently admirable ‘ethical’ trajectory the Sri Lankan apparel industry has cultivated (Sluiter, 2009; Ruwanpura and Wrigley, 2011; Goger, 2012; Perry et al., 2014).

However, despite surpassing its neighbours' social development [Human Development Indices (HDI)] indices, inequality is still a pertinent force within Sri Lanka. The country's Gini coefficient at 0.565 and regional disparities illustrates uneven development processes puncturing Sri Lanka's otherwise admirable socio-human development path (UNDP, 2012, 14). It is within this context that the apparel industry transits towards economic upgrading, with likely consequences for upholding all realms of ethical codes. Indeed persistent economic inequality within Sri Lanka raises germane questions on the efficacy of ethical initiatives in the realm of living

wages—a point to which this article will return later. The next section outlines Sri Lanka's apparel sector and its central import for the national economy.

5. Sri Lankan apparels: strategic upgrading via ethical codes?

Export-oriented industrialization began in Sri Lanka in the late 1970s; initially via free trade zones and subsequently the BOI, signalling its seriousness as a globalized nation (Gunawardana, 2010). The garment sector's roots started here, with it being the largest gross export earner since 1986 (Kelegama, 2009; Yatawara and Handel, 2007). In 1977, textiles and garments accounted for 2% of export value, with it increasing to 46% by 2009 and constituting 8% of Gross Domestic Product (GDP) and employing 49.9% of the workforce, it is the largest employer (CBSL, 2009; UN, 2009).

Between 2002 and 2009, the annual export value of Sri Lanka had increased 77% and total export value of apparels increased by 55%. Despite this, the share of apparels in total exports had declined from 47.77% in 2002 to 41.87% in 2010, with fluctuations in the interim linked to the global downturn. Apparel exports as a share of Gross National Product (GNP) has also consistently declined from 15.58% in 2002 to 7.23% in 2010—which is similar to Asia's overall experience (Hurst et al., 2010).

Post-MFA had important consequences for clothing production in Sri Lanka; navigating and fashioning itself as an ethical producer and pushing into premium markets it averted adversity and achieved success by shifting to value-added production. Yet, industrialists considered the European Union's 2003 General System of Preferences (GSP and GSP+) a lifeline (Sarvananthan and Sanjeevanie, 2008), which was removed in 2010. The dynamic nature of global garment sourcing means that despite the disquiet around loosing GSP+, political upheaval and industrial disasters in Bangladesh and increasing wages in China is a boon to Sri Lankan suppliers (Goger, 2012).

Globally corporate social responsibility and ethical trading is perceived as offering the necessary impetus towards 'ethical' sourcing (Barrientos and Smith, 2007). Codes of conduct are governed by both individual and multi-stakeholder ethical trading initiatives, such as the ETI, FLA and WRAP (Hughes, 2001; Ranaraja, 2004). These codes consist of the nine main provisions based on International Labour Organization (ILO) Conventions, but with no formal mechanisms of enforcement (McIntyre, 2008). This limitation coupled together with a neglect of labour voice within these frameworks results in what Selwyn (2013) notes as the assumption that capital does not exploit labour under a suitable institutional framework. The extent the shift towards ethical production has led to improvement in labour standards is already subject to scepticism (Blowfield and Dolan, 2008; De Neve, 2009, 2013). Since Sri Lanka has strategically advanced to higher value-added apparel production coupled together with niche marketing as an ethical sourcing destination, it necessitates greater attentiveness to labour voice. Indeed, if one was to follow the social upgrading literature, Sri Lanka ought to be a litmus case for labour having made gains because of economic upgrading and ethical trading (Barrientos et al., 2011). My article seeks to explore if this has indeed transpired. I reveal how the win-win processes and outcomes assumed in the economic-social upgrading literature are contestable given the complexity of industrial and class relations.

6. Garments without guilt?

Within international consciousness Sri Lanka's adoption of an ethical stance towards global production is hailed as a great success (Karp, 1999; O'Leary, 2009). This media portrayal or ensuing academic debates on social upgrading neglect the institutional complexities within countries (Barrientos et al., 2011). In Sri Lanka, the country's historically forceful labour movement and union politics and the legislative institutional framings are already identified as significant facets shaping the apparel industries evolution (Candland, 2002; Knutsen, 2004; Ruwanpura and Wrigley, 2011). Despite this backdrop, the vicissitudes faced by labour unions in post-liberalized Sri Lanka has a bearing on current labour conditions within the apparel sector. Consequently, the absence of a living wage and workers' inability to freely associate and collectively bargain are continually noted shortfalls by global unions and consumer campaign groups (Sluiter, 2009; ITGLWF, 2011). Such contradictions reflect how we must consider the role of firms, the state *and labour* in value creation to appreciate the geographies of ethical trade (Smith et al., 2002). Or, our attentiveness to labour geography requires as Herod (2001) notes to unpick 'the different strands to processes of globalization' (2001, 132).

Historically, labourers held a strong and respected position in Sri Lankan culture and politics (Jayawardena, 1972; Candland, 2002), and this political history offered an unacknowledged bulwark for implementing ethical corporate codes of conduct. In particular, the code on 'jobs should be well regulated in compliance with legal provisions' is implemented to a high standard because labour legislation in the country necessitates it. All 90 workers we interviewed confirmed that formal and permanent contracts were offered to them from the inception.⁵ Proponent of social upgrading argue that formal and secure employment offers appropriate conditions for enforcing other worker rights—including enabling rights. Barrientos et al. (2011) in fact mention how 'greater security of employment may increase their ability to participate in workplace-based trade union organizations and reduce their fear of reprisals' (2011, 329).⁶ As I show through my research later on this is moot at best—and unlikely to be followed through (Miller et al., 2009).

Workers with decades of experience in the industry, however, repeatedly noted improvements over the past decades—both in the way they are treated as workers and the conditions of production sites themselves. LH18, who has over three decades experience in the industry, stated that new workers are offered training via 'induction'

5 The worrying exception was a media item in the British press in the pre-Olympic era. It reported busloads of workers from central Sri Lanka being brought to the main free trade zone to meet tight production deadlines. While this news item hit the media after my fieldwork because by chance we had interviewed a number of workers from this factory, I was able to cross-check with my respondents whether there was any veracity to this news item—reported in the UK. These respondents confirmed these reports, although it appeared that the different ethnic composition of the workers—those transported from central Sri Lanka coming from a minority ethnic group—also had a bearing on the unease felt by the permanent work cadre. [Existing ethnic cleavages between workers and how it bears upon the economic landscape is not pursued here; this is also because until recently (post-war) the workforce in the apparel sector were from the dominant ethnic group in the country (Lynch, 2007; see Jayawardena, 1974; Herod, 2001; Carswell, 2013) for more on how various social groups intersect with economic shifts in contingent ways.]

6 The choice of words used here is cautious and revealing—'work-place unions' rather than industrial unions; although according to the ILO Conventions as well as the codes, it is the right of workers to determine the kind of unions that they wish to form and join (McIntyre, 2008).

where ‘new workers are told everything before releasing them for work’. She proceeds to say how there is ‘huge difference between the ways in which we started and how they start now’. In her view, the culmination of worker struggles in the early phase of apparel production in Sri Lanka coupled together with state intervention and global governance pressure facilitated these changes.

National labour regulation and strong socio-human development also positively bear upon the base code of ‘zero tolerance for child labour’. This code stipulates that no person below the age of 14 years, or past the compulsory schooling age according to the law of the relevant country, should be employed. It also states persons below the age of 18 years should not be employed on night duty. Fieldwork suggested that the relevant managers at the point of hiring and labour inspectors or auditors had the right to check birth certificates or national identity cards when visiting factories. Both LC4 and LB9 noted that their respective factories do not employ workers below the age of 18 years, whereas LN1 indicates that although her factory employs workers over the age of 17 years, if they are less than the age of 18 years they are not pressured to work.

If a worker under 18 joins the institution by any chance a band is given to be stuck on the arm to show that he/she is under 18. No one can shout at such workers demanding production. (LN1)

Management and a few labour rights activist echoed similar sentiments:

I don’t think you’ll find a single factory in Sri Lanka where there is under age labour. (MM5)

In the realm of child labour, this isn’t a bane, by and large, which afflicts the industry. (NLR2)

Existing regulatory structure also show how the code relating to workers having the liberty to enter and exit employment are practiced. No worker reported or hinted that their birth certificates, identity cards or passports were kept as surety, with those leaving noted they were offered the opportunity to vacate employment after required notice was given. A worker keeping a diary for this research noted the following in her diary:

I resigned from the institution. I left because I got married on 10.06.10. I did not go to work after that. (LQ4)

Manager’s views on the right of workers to enter and exit employment as their prerogative was repeatedly mentioned (Ruwanpura and Wrigley, 2011), with their views supporting Knutsen’s (2004) point that the legal frameworks provide a solid regulatory infrastructure. Employers having to respond labour are also necessitated by severe labour shortages they increasingly face. During my extended fieldwork managers across rank—senior, middle and junior—as well as location, repeatedly mentioned how the industry was facing insurmountable challenges in recruiting and retaining labour—with exceptionally high labour turnover (Carswell, 2013). Cultivating their stature as fair employers were hence imperative to attract and maintain their cadre, where reputational stakes as fair employers were championed. This was in addition to Carswell and De Neve’s (2013) finding in Tiruppur on employers paying bonuses around local festival periods, which Sri Lanka practices too (2013, 69). It reminds us how seemingly benign labour actions compel employers to respond in diverse ways, thus continually reshaping capitalist processes (Rainnie et al., 2011, 164).

An area in which global governance regimes had made a palpable difference is in the realm of structuring production sites and factory floors. How industrialists have taken initiative to implement ‘the opportunity to work in a healthy environment’ code is visible in the built spaces.⁷ LQ24 drew attention to improvements, claiming that ‘There used to be only 3-4 toilets for about 60-70 people . . . , after the codes were implemented there has to be one toilet for every 3 workers.’ Furthermore, interviewees mentioned how they were offered adequate training in fire safety, first aid facilities and access to medical help.

Managers noted how labour legislation coupled together with existing national directives paved the way for the relatively strict implementation of ethical codes.

I mean those things [compliance] were very strict from the beginning in Sri Lanka because they were all monitored by three bodies: one BOI, two the labour department and also within the zones it was monitored by the zone authorities . . . the labour laws of the country are strict. Workers are well protected in Sri Lanka under the labour laws. (SM1)

Labour rights and union activist working in the free trade zones since the early 1980s offered a slightly more jaundiced view.

Our laws were important and effective . . . I wouldn’t, however underestimate the effectiveness of codes. It is a good scheme, although it is not implemented effectively in all realms . . . conditions of some factories have improved. Today some factories are like tourist offices . . . today the cleanest place may be the toilet. Now factories have dining rooms, gardens and many facilities for girls, etc; when the auditors come, they can see a nice environment. (NLR1)

It’s a way for factory owners to show that we are treating our workers very well. Our factory is like a hotel. But in reality, the AC is not for the benefit of our workers. It is because the fabrics need preparation in our country’s climate and to prevent machines heating. Also our impressive factories are used to show off to buyers. (ULR1)

In these accounts, there is a certain degree of scepticism as to the level of effort put on the built space. Yet, they willingly or begrudgingly acknowledged that there were benefits to workers given the initiatives on part of the industrialists in the country.

There is, however, tension when implementing codes. Stresses stem from inequities embedded within the global production process (Hale, 2000; Hughes, 2001), signifying the need to refocus understanding of local–global interactions. When production targets have to be met, workers are forced to work overtime with workers facing punitive measures, that is, deduction of unpaid leave days; or they get into unpleasant arguments with supervisors, line leaders or floor managers—outcomes workers do not appreciate and which press against the spirit of the code on the prevention of forced labour (ITGLWF, 2011; Miller et al., 2009).

When the assigned production target could not be met within the 8 hours, we were not allowed to leave the factory at the end of work hours until we finished overtime. (LC4)

7 Dunn (2003) points to how in the realm of health and safety there can be nuances in the reworking of management labour relations because its intersection with uneven geographical spaces; for the Sri Lankan study, elsewhere these disjunctures are registered (Ruwanpura, 2013, 2014a).

Targets are very high. Sometimes there is no time to even drink water and no time to use the toilet. (LN2)

Production targets realign conditions under which codes are implemented. On 23 December the following entry was made in LQ6 diary:

Even though the institution claims that the workers of 17 years of age are not employed for the night shift they have been to work the night shift... on that day of the visit by the inspectors these workers of 17 years were given a holiday and sent home before their arrival. Most of the workers there had worked the night shift during the previous week. (LQ6 diary entry)

LQ6's entry confirmed rumours we were privy to. It is clear that the law is breached at times where production targets need to be met. Furthermore, the bid to show adherence to local labour laws and codes are keenly enforced when visits from auditors or labour governing bodies are scheduled.

One day a visit was paid by the labour department. Those days we almost continuously had OT until 10.30 pm. They came around 7.20 pm. As they came out senior officers at the factory had switched off the lights and sent the workers home – through the side entrance. (LH6)

Nadvi (2008) draws attention to the complexities inherent in implementing these initiatives, arguing how some retailers saw codes of conduct as a marketing tool. Thus, the extent to which corporate codes represent a genuine commitment to worker welfare is questionable and is reflected in management accounts.

It's more than they (buyers) need to look after the workers. From the other side it is about covering themselves – there's so much you know public outcry out there, that they are using cheap labour. So just to say that we have been sort of you know (done) ethical audits and to make sure that the factory abides by all these things, I think it's more towards that than the companies (buyers) having a social consciousness. (MM9)

While certain codes are relatively easy to uphold, commercial pressures embedded within the geographies of global production and how it intersect with uneven development leads to contradictory outcomes for labour. These factors also impact on other codes of conduct, which consequently are often simply not upheld. The partial application of codes in Sri Lanka where admirable steps have been taken by leading local industrial capital in responses to labour geographies, offers a more nuanced perspective on labour practices on the factory floor.

7. Garments with guilt?

Commercial dynamics and economic restructuring of global production has broken down traditional two-season cycles and paved a fast fashion culture that translate into shorter lead times (Hale, 2000; Tokatli, 2012). While Sri Lanka, given its geographical location has maintained traditional two-season runs, during the recession these cycles have come under increasing pressure—with small order quantities and short lead times. How labour experiences such shifts is contingent on the ways in which suppliers respond to downward pressure. Under increasing global pressure, local capital strategizes to reduce activities by labour that limits the valorization process, including

those related to social upgrading (Selwyn, 2012). On the back of a recessionary downturn, increasing competitive pressure, shortening leads times and wanting to stay ‘ethical’, the Sri Lanka Apparel Exporters (SLAE) more recently have advocated changes in labour regulation to reduce the 45.5-hr working week from 5.5 days, where overtime is paid on Saturdays, to 5 days but increase the work day without premium payments (SLAE, 2012). While the scheme is at a pilot phase, employers calling for its formalization, with employers–employees agreement at individual factories, the proposition is likely to be contrary to the interests of workers. The bitter irony is that the proposals are promoted as a way for the industry to remain ‘ethical’, although the costs to workers get displaced; it suggests that these very ‘ethical’ codes may even be undermining existing labour regulation.⁸

Since minimum wages stipulated annually by the state for the decade of 2000–2010 does not reflect cost of living changes (i.e. inflation), the necessity of overtime for Sri Lankan labour has been shown elsewhere (Ruwanpura, 2012). However, at the two factories where my research was done, basic wages were often above stipulated by the Wages Board Ordinance (WBO), telling that there are factories paying above government-stipulated basic wages as a means of retaining workers.⁹ Indeed, it echoes labour geographers observations how capital has to respond to labour geographies found in place—despite global pressures (Carswell and De Neve, 2013; Rainnie et al., 2013). Yet, if SLAE (2012) calls are anything to go by, capital is also constantly strategizing at the expense of labour while ironically in a bid to stay ‘ethical’ as per governance regimes.

Workers recurrently stated that when overtime and incentives are not included their salary does not constitute a living wage. Overtime during the recession this was either scarce or sporadic and incentive payments, as lead times have become shorter or order quantities low, is less likely because the probability of workers meeting production targets is rare. As LH20 notes:

When there is too much work, we can’t meet the targets that have been set. If for example there is damage on the item we are sewing at the moment, it is difficult to repair . . . for some orders we had to meet targets of 200 items an hour, which is impossible and even when we meet our targets when there is damage, there have been times when we have not gotten an incentive. (LH20)

Despite payment of basic wages above state-stipulated wage increments, the lack of a living wage in the wage structure was a constant bane, especially when there was no overtime or ‘covering’ days that were used. If overtime is done on Saturdays or weekdays, Sri Lankan law requires workers to be paid one and a half times their hourly wage rate. Overtime on Sundays and public holidays requires payment of double the hourly wage (Sri Lanka Labour Gazette, 2009, 75).

During sluggish order periods, workers are given paid factory holidays. While factory holidays are granted with paid wages, workers are expected to ‘cover’ these days during

8 My thanks to Harvey Neo and Yuan Chih Woon (NUS-Singapore) for suggesting that I bring out this point more forcefully; although undoubtedly the article’s eventual shaping probably diverges from what they envisioned.

9 This, however, may be the exception because an OXFAM survey for a larger geographical spread and sample size in Sri Lanka suggests that there is variation in salaries paid, which sometimes went lower than the minimum wages stipulated by the WBO (OXFAM, 2008).

peak seasons. These covering days may be on Sundays, on mercantile holidays or even by doing an hour or two of overtime during the week. With covering, overtime is not compensated for, despite workers working beyond nationally stipulated hours. For the workers this causes confusion and they feel cheated.

When they cut our wages they give all kinds of reasons. However much we work we don't get a proper salary. (LN2)

Any work done on a Saturday after 1.45 pm was considered OT previously. Everyday there was an hour of OT till 5.30 pm when orders were high. When orders were low and during the recession they clocked us off us at 4.30 pm, saying that there was no work – or OT. On December 1st, which was poya day, they put it down as covering. There was no need for us to do a poya covering, because they treated the poya before that OT. Even we don't understand what they are doing with all this covering work? (LH13)

While factories uphold regular employment throughout workers' contracts, they do so by undermining stipulated national overtime regulations. Overtime holds a critical role in the workers' take-home wage packet. Workers' narratives indicated in most cases, wages were proportionate with cost of living *only* with overtime and incentive targets (OXFAM, 2008). Previous research found instances of management avoiding paying incentives by setting impossible targets (ITGLWF, 2011).

After working the whole week Sunday's the only holiday. That too was lost; we had to work because there was urgent work – and then we are always reminded of incentive payments. We were to finish work at 4.30pm, but that didn't happen. It was 10.30pm when we finished – Sunday night! Dead tired! (LH22)

The unfortunate upshot of short lead times and smaller quantities is that adjacent codes get violated. Ensuring the number of working hours is reasonable and evading harsh language and inhumane treatment are the most likely codes to be breached. Interviewees frequently complained the need for better treatment.

If we are reluctant to do overtime she scolds us and ask us not to come to work again. She even takes it in writing from us that we stay for overtime any day at her order. Sundays are used for covering and workers have to forget their personal needs and come to work. So we are made to work by the administration, six days a week, nine hours a day at a stretch and then we are robbed of even Sunday, the compulsory holiday given to us. (LH1)

I told him off – the supervisor. He tried to raise his voice at me and put pressure on me. I had given him the target in the past few days. Today they have started a new design and always it takes time to learn something new and I was getting stuck – with mistakes being made. They give us small orders and expect us to meet targets from the first day. (LQ21)

Many of the associated problems with regards to excessive overtime and insecure monthly wages when overtime and incentive payments do not factor, relates to the lack of a living wage. Elsewhere I have illustrated the complicity between the state and the industry in the realm of wage increments (Ruwanpura, 2012), which has never kept pace with inflation—barring election years—echoing previous findings (Sarvananthan and Sanjeewanie, 2008). Moreover, minimum wages in the apparel sector are recurrently more than 50% below basic wages paid to low-end public sector workers (Miller and Williams, 2009, 100), which is in contrast to Milberg and Winkler's (2011) remark 'wage

growth (is) a reasonable representation of social upgrading' (2011, 357). Despite this, the SLAE (2012) has been critical of recent calls by the WBO to increase basic wages by 30%—presumably to thwart falls in real wages over the past decade. In their words, 'We also need our policy makers to move the focus away from a minimum wage and start embracing the concept of a salary package that includes not just the basic wage, but at least the other productivity components that our industry pays, such as production incentives and attendance bonuses. This will help us to develop a pay structure that is based on productivity, enabling us to boost employee earning through better productivity' (SLAE, 2012). Such calls by industrialists and employers neglect the vicissitudes of pay structure to workers wage packet, as it exists, even with a minimum wage, and their inability to make a living wage.¹⁰ It also contrasts with the image of ethically responsible garment sourcing. Unlike in historical Britain where liberal industrialists purchased the value of a living wage for workers and its benefits to the economy or contemporary efforts (Wills, 2009), Sri Lankan apparel industrialists are yet to make living wages a rallying cry. The social upgrading literature then fails to consider how code compliance is unlikely to take place in the realm of living wages merely through economic upgrading (Miller and Williams, 2009; Tokatli, 2012). Effectively, it fails to consider how ethical initiatives not only condition but also are conditioned by labour rights, and the absence or negligence of labour rights in certain sphere is contingent upon uneven capitalist development (Selwyn, 2012; Goger, 2013).

Insecurity around living wage issues for workers is connected to the ethical code least likely to be upheld: the enabling code related to workers freedom to make alliances and collectively bargain (McIntyre, 2008; Miller and Williams, 2009). Sri Lanka is simply not a signatory to ILO Conventions 87 and 98 on the right of workers to freely associate and collectively bargain; its own constitution guarantees every citizen the right to form and join a trade union, a fundamental right that 'can not be restricted by any other law, regulation or provision, or by individual or corporate action' (Ranaraja, 2004, 18; see also Ministry of Employment and Labour, 2002). In contrast to the word and spirit of fundamental rights, core conventions and ethical codes, the BOI advocates creating Employee Councils in factory premises (Gunawardana, 2010). ILO's Committee of Experts has already ruled that BOI guidelines contravene core conventions (Ranaraja, 2004); yet it prevails. Thus, democratic forms of worker collectivization are thwarted.

Academics concerned with the pressures on organizing labour have thoughtfully debated the value of using employee councils as a form of worker representation (Wills, 2001). Worker councils are seen as a form of non-union employee representation, designed to allow worker representatives to exchange information and consult with senior managers. This, in theory, would facilitate the representation gap for employees and labour-led social upgrading through the rescaling of trade union organization. It potentially permits unions the opportunity to develop their own networks between workers and ought to result in collective bargaining (Wills, 2001).

Although management interviews placed great value on worker councils as giving workers the chance to voice concerns, workers often expressed scepticism at their

10 The lack of a living wage, its bearing on overtime and the prevalence of malnutrition among women garment sector workers in the Katunayaka free trade zone has already been researched (Amarasinghe, 2007), with women garment workers are the most affected occupation in terms of deficiency anaemia. The failure of ethical trade initiatives to produce a living wage is not simply its inability to assuage Sri Lanka's deepening inequality but also potentially feed into malnutrition issues.

effectiveness. [ITGLWF \(2011\)](#) illustrated worker disillusionment with the ability of the worker councils to offer a space for democratic representation. There were complaints that management were not taking them seriously and the workers' potential to change working conditions was deemed as relatively limited. One stakeholder promoting labour rights stated:

The ILO defines Freedom of Association as the right to form organizations 'of the choice of workers' and 'organizations of the choosing of employers' but worker councils are not this. They are provided by the BOI, convened by the management... it's not an organization as such... there is no democratic process (NLR25)

Our interviews also doubted the sincerity of council representatives and the ability of management to control council and committee members through individual benefits, a concern also highlighted by [ITGLWF \(2011\)](#). The workers' narratives revealed the case of LQ11, an officer within the union who had been promoted. Conversations with LQ11 revealed how trying to register a newly formed trade union faded away.¹¹

The management will never listen to what the worker has to say. I have seen throughout my 10 years that everything happened according to the wishes of the management. They have never done anything that was suggested by the workers. (LQ11).

Whenever a person who is on the welfare committee asks for leave it is always approved. If they ever ask for increments it is given to them. The workers are in cahoots with the management... when they are benefiting out of being there they aren't going to talk about all the issues faced by other workers. (LQ26).

There was also a fear of losing employment if one joined a union. LQ8 states in her diary that the workers were told that they could be 'expelled on even a small matter if we joined the union'. Similarly LH27, a member of the factories' worker council, states workers had to provide written evidence that they would not participate in union activity. All of these actions by management are illegal under the Trade Unions Ordinance act and its amendments. It appears that employers are unlikely to rescind on unlawful action in the realm of ILO Labour Conventions 87 and 98 without state compulsion or labour unions regaining lost ground.

Coordinating and convergence of worker councils across firms or with industrial unions more usually tends to be deeply restricted ([Wills, 2001](#); [Brooks, 2010](#)). Instead, worker councils tend to reproduce or be a conduit for management vision without any genuine consultation with workers. LQ31, an office bearer for the worker council at her factory, illustrated this point during a conversation when she said how their efforts to substitute Mercantile holidays with more entitled vacation or sick leave was thwarted when the management said that they did not have the authority to over-ride national holiday leave provisions. Because this request stemmed from the frequent and overuse of covering, the irony of managers seeking legal legitimacy when it is convenient was not lost on her or her peers on the council. Consequently, management-driven agendas

11 This occurred in one factory setting of the fieldwork. A serious assault against a worker leads to workers' uprising, with a section of workers attempting to form a union through conversations and dialogue with the adjoining factory. Workers efforts at unionization was met with cajoling, intimidation, and bullying by groups of management, leading to the assured and slow disbanding of the union (Ruwanpura, 2014, available on-line).

of worker councils offer limited or no possibilities for workers to voice their opinions and seek improvements in their collective rights (Wills, 2001). In the absence of retailers not stressing the importance of workers' right to unionize, suppliers are unlikely to heed its call, highlighting the patchy compliance to ethical initiatives (Miller, 2011; Lund-Thomsen and Coe, 2014). For the workers to freely form trade unions and engage in collective bargaining, there needs to be an extensive re-organization on the part of the suppliers' adherence to corporate codes. As Selwyn (2012) notes '“workers” ability to transform their structural and associational power to extract concessions from capital, constitutes a core determinant of the relationship between economic and social upgrading' (2012, 13). Not doing so questions the efficacy of ethical codes to uphold all sphere of worker right, including the collective rights of labour (McIntyre, 2008). The necessary pressures need to stem from the state as well as buyers; they both remain largely silent, equally complicit and just as culpable of thwarting these collective labour rights with negative implications for worker rights. Therefore, the way in which worker councils operate in practice is far removed from the spirit of the ethical codes, core conventions and indeed the fundamental rights of Sri Lankan citizens, including its working classes. Against this backdrop, SLAE (2012) calls for lengthening the workday via employer–employee agreement are even more spurious.

What the Sri Lankan scenario finds is that it is debatable whether ethical codes challenge capital–labour relations and if their theoretical underpinnings include genuine consideration of workers' rights. While there are many laudable aspects to initiatives within Sri Lankan factories, the accounts collected illustrate the partial nature of this exercise (Miller et al., 2009). Thus, despite Sri Lanka's long and powerful history of labour movements in shaping the economic landscape to be meaningful for generations of workers and also benefitted capital (Herod, 2001), its more recent losses has resulted in worker enabling rights taking a backseat. My findings illustrate that Selwyn's (2012) observation that institutional arrangements, such as ethical trade initiatives, are exemplary of class compromise within capitalism. Since they are continually subject to competitive accumulation it is indefinitely hampered from resolving the economic versus social upgrading dichotomy (Milberg and Winkler, 2011). Ultimately, they are products of prior and ongoing labour mobilization, facets missed out in the social upgrading literature.

8. Competitive pressures and labour conditions: a contradictory relationship?

The importance of the local context when focusing on global trade dynamics is already stressed (Nadvi, 2008; Khan and Lund-Thomsen, 2011; Sunley, 2008), with Hughes et al. (2007) noting how corporate ethical agendas are differentially embedded in national institutional contexts. Through an appreciation of local context, the examples from production sites point towards the existence of contradictory relationships between Sri Lanka's uneven development, ethical trade initiatives and their relationship with the global supply chain. What is apparent is how the Sri Lankan garment industry is situated within a 'globally uneven terrain', complexly inflected with economic pressures and power imbalances. These disparities then enable local capital to exert pressure on labour and labour rights, leading to a corrosion of previous gains in fundamental labour rights.

The presumption that economic upgrading will translate into social upgrading and improve worker conditions at production sites under appropriate conditions is the focus of the social upgrading literature ([Barrientos et al., 2011](#)). Sri Lanka's experience posits a fundamental re-evaluation of the possibility of this notion where labour geographies are weakened and state–capital collusion prevails. Management interviews did not confirm that the shift towards higher value-added apparel is supported by more stringent labour standards in all realms. When a manager was asked if moving into higher value-added production has made a difference to worker wages the following response was given:

Even if they say they do more value added items and they make more money... it never gets passed down to the workers you know... unfortunately *unless the government or labour laws* requires their minimum wages and grades of workers to go up... this is not an evident corollary. (SM1)¹²

His sentiments—more frank and honest—are contrary to the position advocated by [SLAE \(2012\)](#), but one that implicitly acknowledges power differentials inherent within capitalism. Equally tellingly a worker once on the production floor stopped and asked me the current foreign exchange rate; when I gave her this information, she quickly did the calculations noted on the price of a high-street bra—since full-packaging was the norm at both factories I was placed at—and pointed out the difference between what a consumer pays for a single item and her monthly salary on a good month. She also went onto say how as workers they are constantly harangued by supervisors that the embroidery, embellishment and quality are ways of securing Sri Lanka's privileged position globally and yet they are to see the benefits of this upgrading. As rare her intervention was, since no other worker ever pointed to that direct contrast to me during my time at the two factories, it also revealed that workers feel the absence of a living wage in multiple ways. Ethical adherence via economic and social upgrading then is at best a partial exercise ([Miller et al., 2009](#)), and at worst fail in their agendas because there is limited acknowledgement of the tensions between capital–labour relations ([Selwyn, 2013](#)). During our interviews, scepticism formed the bulk of workers' attitudes towards the codes, in part due to their distrust of management. The codes, in their opinion, were not a solution; it simply ameliorates the worse excesses.

[Hale \(2000\)](#) has argued that codes of conduct can only have an impact if workers understand and use them as negotiating tools. Workers' awareness is, therefore, essential for its implementation, if there is to be some degree of strengthening labour rights and voice ([Pearson and Seyfang, 2001](#)). By drawing on voices from the Global South, my purpose has to be call for refocusing academic debate around the importance of incorporating workers into discourses of ethics. At a mundane level, mobilizing workers is a necessity. In Sri Lanka, we see powerful accounts of their scepticism over worker councils; unless the right to organize is respected, the power of workers' agency to shape change is limited.¹³

12 In a rare public intervention, a similar sentiment was controversially expressed in a national newspaper by a CEO of an apparel sector group—with a call to apparel sector leaders to 'take collective action and bold decisions' to uplift living standards of workers; noting the central import of workers as the sector's most valuable asset ([Wijesuriya, 2007, 4](#)).

13 [Kabeer \(2004\)](#) rightly argues that it is important for research women's access to trade unions and their ability to stand up and voice concerns ([Pearson et al., 2010](#)). This holds true for Sri Lanka as much as it

Overall, the Sri Lankan apparel industry has been in the vanguard and invested heavily and appropriately in its built space and physical infrastructure, a promising workplace scenario that factor into worker welfare—which is laudable and praiseworthy. The apparel industry has, however, also benefitted from state-led development aspirations and legislation of previous years—all consequences of unacknowledged championing by labour movements of yesteryear. These contributory labour geographies need registering as the emphasis on social upgrading interventions is less on local histories, labour struggles and institutional context, and more on ‘top-down’ global governance (Selwyn, 2012, 2013). Sri Lanka’s social and human-focused development from previous periods and existing laws regarding the compulsory education of children until the age of 16 years, with state provided primary and secondary education, have been a boon to ensuring that child labour is eradicated. This is just one illustration of the unacknowledged role of how labour geographies in the past precipitated state action that is now an important boon in shaping Sri Lankan suppliers ability to go ‘ethical’. The partiality of this exercise is also due to the gradual erasure to the historical strength of the labour movement in post-liberalized Sri Lanka (Gunawardana and Biyanwila, 2008). Consequently, in the realms of freedom of association, collective bargaining and living wages the state’s complicity with industrial capital results in floundering workers’ enabling rights. Hence, in contrast, to the social upgrading literature which presumes that under ‘correct conditions’ economic upgrading will yield benefits to workers and certain types of workers in particular (Barrientos et al., 2011, 329), what my research finds—in consonance with other labour geographers—is that relations between capital, labour and the state have a critical role to play in institutional arrangements and how they bear out for labour (Herod, 2001; Selwyn, 2012, 2013; Carswell, 2013). Global governance regimes then requires acknowledging how the state explicitly or implicitly sides with capital over labour or vice versa at different historical junctures—and how this evolving landscape shapes has important consequences for labour gains or losses and the partiality of this capitalist development process. In the absence of such recognition, the silent role of the state in global initiatives is deafening; and not only does future research needs greater orientation towards its character, but also an absence of analysing the capital–labour–state triumvirate in social upgrading debates speaks volumes to its partiality towards firm-oriented (i.e. capital) solutions (Miller et al., 2009; Selwyn, 2012).

9. Conclusions

In Sri Lanka, there are instances where global governance initiatives have motivated improved work conditions within production sites. However, without contextualizing the institutional and historical legacies and exposing contradictions, our understandings of capital–labour processes are partial. Within global and voluntary regulatory milieu, accounting for how the national and local intersect enables recognizing the persistence of social structures, inequality, power hierarchies and causal process that outline global initiatives (Cumbers, 2005; Rainnie et al., 2011). Driving up labour standards via ethical codes then result from and in contested labour practices, where contemporaneous and

does for Bangladesh, given the woefully inadequate representation of women in leadership positions within apparel sector related unions.

previous local labour struggles and histories continuously inform global efforts of social upgrading. The political implication of incorporating labour voice within ethical code practices is to concede the salience of class, which firm-level analysis of social upgrading tends to displace.

My purpose hence is to trigger an exploration on the institutional dynamics, national labour regulation histories and inform the analysis of how these factors impact labour practice responses. Capital, as shown in this article, not only try to wrest back historical labour gains, but also try to remould and reduce labour's bargaining and mobilization power—and subordinate them to their own objectives. Hence, while ethical codes of conduct may be an attempt at reshaping capital–labour relations to the benefit of capital, bringing labour perspectives into focus reveals a range of tensions inherent in implementing and upholding corporate codes of conduct. Despite Sri Lanka's national regulatory context, with its protective labour laws and high social human development—important country-specific contingencies mediate the impact of ethical codes to avoid the 'sweatshop' spotlight—garment workers experience the inherent contradictions of global governance initiatives. Not conceding the existence of these structures, which hence displace labour voice, hollows out broader claims that ethical code regimes promote social justice. Yet, even where capital may seem to have the edge, management has to continuously allay and respond to some labour rights—at the least, cognisant that labour may respond in ways that it can not envision.

An appreciation of the local context has underscored the necessity for understanding Sri Lanka's uneven development processes and worsening inequalities when examining the impact of ethical trade initiatives on the apparel sector. The country's widening inequality has occurred in conjunction with the implementation of an ethical agenda. We have seen, from the workers diaries that a living wage is rarely provided in the garment industry. If a living wage is provided, it is often an offshoot of overtime. The failure of ethical initiatives to provide a living wage raises serious questions over its efficacy in improving labouring lives. It also brings to bear the partial labelling and makes moot the apparel industry's claim to produce 'garments without guilt' (JAAF, 2011), especially with regards to freedom to associate, collective bargaining and living wages.

Such an understanding serves to induce a critical awareness over state–capital–labour relations and how balance of forces within the tripartite has implications on various dimensions of ethical codes. The state's neglect in mandating wage increases for a decade that keep pace with inflation and employers' relentless push for lowering the labour floor means that ethical agendas remain limited in its desired effect. Similarly, social development in health and education sectors are vital for ensuring an educated and healthy labour force; factors which offer a platform to Sri Lankan suppliers from which to trumpet its ethical strategies. This locally constituted understanding reveals the tensions inherent in the pursuit of an ethical agenda and challenges the accepted coalition between ethical programmes, industrial upgrading and improved labour conditions.

I illustrate the inherent danger in neglecting labour perspectives in ethical trade agendas. It also points to the central importance of social development, labour histories, labour regulation and, in more recent times, the role of states' (in)action in centring discussions around labour rights. Without considering local labour histories and struggles, such initiatives risk being shaped solely by uneven geographies of the global economy. Herein lies its importance as it attempts to re-centre labour voice from the Global South in such debates.

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